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CHANGE REQUEST 2419

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Red italicized font identifies new material.

NEW/REVISED MATERIAL - EFFECTIVE DATE: December 27, 2002

IMPLEMENTATION DATE: December 27, 2002

Medicare contractors only: these instructions should be implemented within your current operating budget.

Section 3, Local Provider Education and Training (LPET) Workload, Cost and Savings Allocation- heading reflects change from MIP-PET to LPET. Requires contractors to incorporate Activity Based Costing (ABC) in the budget process.

Section 3.1, LPET Overview- requires contractors to allocate to the LPET activity code in CAFM II only the workload and costs associated with LPET tasks.

Section 3.2, Reporting LPET Workload and Cost Information and Documentation in CAFM II- requires contractors to maintain LPET workload information and associated workload cost information on site.

Section 3.3, CAFM II Reporting Instructions for LPET Activities- gives specific CAFM II instructions for each LPET activity.

Section 3.3.1, Analysis of Information to Identify Local Education Needs- instructs contractors to analyze information available from the results of medical claim review, medical review data analysis and PCOM data analysis.

Section 3.3.2, LPET Workload Management- gives specific CAFM II instructions for LPET workload management.

Section 3.3.3, Provider - Specific Education – gives specific CAFM II instruction for provider specific education.

Section 3.3.4, Comparative Billing Report (CBR) Education - gives specific CAFM II instructions for CBR education.

Section 3.3.5, Education of Identified Service Specific Errors – gives specific CAFM II instructions for education of identified service specific errors.

Section 3.3.6, Comprehensive Education Interventions – gives specific CAFM II instructions for proactive local educational meetings.

Section 3.3.7, Proactive Local Education Meetings – gives specific CAFM II instructions for proactive local educational meetings.

Section 3.3.8, Frequently Asked Questions Regarding Local Education Issues – gives specific CAFM II instructions for frequently asked questions regarding local education issues.

Section 3.3.9, Bulletin Articles/Advisories Regarding Local Education Issues – gives specific CAFM II instructions for bulletin articles/advisories regarding local education issues.

Section 3.3.10, Scripted Response Documents on Local Education Issues – gives specific CAFM II instructions for scripted response on local education issues.

Medicare Program Integrity Manual

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4 – Provider Enrollment Workload, Cost and Savings Allocations

3 - Local Provider Education and Training (LPET) Workload, Cost and Savings Allocation (Rev.36, 12-27-02)

Effective October 2002, contractors are required to incorporate Activity Based Costing (ABC) in the budget process. ABC is a management reporting system that will allow contractors to focus on the costs of the work activities instead of concentrating on the standard cost centers associated with the traditional cost accounting structure. ABC identifies an all inclusive business process for each activity so that the total costs of the activity are fully visible to the LPET business manager. Please refer to Medicare Financial Management Manual, www.cms.gov/manual/106_financial/fin106index.asp Chapters 1,2, 5 and 6 for more detailed explanation of ABC.

3.1 – LPET Overview (Rev. 36, 12-27-02)

Please see Chapter 1, Section 5 www.cms.gov/manuals/108_pim/pim83c01.asp#5 of this manual for detailed overview of the LPET Program. This chapter lists the requirements contractors must follow when allocating LPET costs and workload to the LPET activities in CAFM II. Contractors must allocate to the LPET activity code in CAFM II only the workload and costs associated with LPET tasks. For FY 2003, CMS will fund each contractor's level of effort used to reduce the claims payment error rate by providing educational services through the MIP budget. Each contractor will be given a specified maximum budget for LPET activities.

3.2 – Reporting LPET Workload and Cost Information and Documentation in CAFM II (Rev. 36, 12-27-02)

Workload information and associated workload cost information must be maintained on site by all LPET contractors. Contractors that maintain multiple LPET sites, as defined by contractor number, must assure the presence of workload information and associated workload cost information at each of their sites. Each site should maintain records of its own workload information and associated workload cost information as well as records of LPET workload information and associated workload cost information for all other sites maintained by the same contractor. The Regional and or Central Office can request this information at any time, therefore contractors should be able to provide this information on an on-going basis.

Contractors with multiple LPET sites, defined by contractor number, must maintain workload information and associated workload cost information on-site. The Regional and/or Central Office can request this information at any time; therefore, contractors should be able to provide this information on an on-going basis. ABC must be used to report cost information in CAFM II.

The contractors' LPET workload records must include workload information captured by the Interim Expenditure Report (IER). Only costs (direct, indirect, overhead) incurred in LPET activities are reported in CAFM II activity codes. Contractors are responsible for ensuring the accuracy of the information contained in CAFM II. The contractor must alert the RO to any software or hardware problems that hinder the contractor's ability to report accurate data on CAFM II.

Since LPET is related to medical review activities, Joint Operating Agreements between Program Safeguard Contractors (PSC) and Affiliated Contractors (AC) should reflect proportionate allocation of tasks delineated to MR and LPET. When negotiating Joint Operating Agreements, the PSC should be cognizant of their task order.

3.3 - CAFM II Reporting Instructions for LPET Activities (Rev. 36, 12-27-02)

SUMMARY OF LPET CAFM II ACTIVITY CODE DEFINITIONS FOR INTERIM EXPENDITURE REPORTS

Activity Code	Definition	Workload 1	Workload 2	Workload 3
24001	DELETED			
LPET ACTIVITIES				
24101	Provider-Specific Education	Number of providers educated	Number of provider-specific educational contacts made	Number of face-to-face contacts
24102	Comparative Billing Report Education	Number of providers that received CBR education for reports 1 and 3	Number of providers that received requested CBR education	Number of distinct procedure codes that were the subject of CBR for reports 1 and 3
24103	Education of identified service-specific errors	Number of separate topics where educational materials produced	N/A	N/A
24104	Proactive Local Educational Meetings	Number of contractor initiated workshops/seminars/classes held	Number of contractor initiated other face-face meetings	Number of provider requested local educational meetings
24106	Frequently Asked Questions re: Local Education Issues	Number of monthly new Frequently Asked Questions	N/A	N/A
24107	Bulletin Articles/Advisories re: Local Education Issues	Number of bulletin articles published	N/A	N/A
24108	Analysis of Information re: Local Education Issues	N/A	N/A	N/A
24112	LPET Workload	N/A	N/A	N/A

24113	Management Comprehensive Educational Interventions	Number of providers that received CEI	Number of CEI programs developed in whole or in part.	N/A
24115	Scripted Response Documents on Local Education Issues	Number of documents developed	N/A	N/A

3.3.1 - Analysis of Information to Identify Local Education Needs – Activity Code 24108 (Rev. 36, 12-27-02)

The analysis of information must be from a wide variety of sources in order to identify LPET needs. Contractors should analyze information available from the results of medical claim review, medical review data analysis and PCOM data analysis. These data analysis activities are described by CAFM II code 21007 and 25102, respectively.

Report the additional costs associated with the analysis of information to identify local education needs in CAFM II activity code 24108. Do not report here costs with generating underlying data. Those costs are reported in CAFM II activity code 21007 or 25102. There is no workload to be reported for this activity.

3.3.2 – LPET Workload Management – Activity Code 24112 (Rev. 36, 12-27-02)

Report all costs associated with workload management of local education activities including the development of the LPET Strategy, LPET QIP plan, LPET staff development and training, workload determinations, and outcome measures in CAFM II activity code 24112. There is no workload to be reported for this activity.

3.3.3 – Provider Specific Education – Activity Code 24101 (Rev. 36, 12-27-02)

Report the costs associated with provider specific education in CAFM II activity code 24101. In the workload section of CAFM II, activity code 24101, contractors should report the number of providers educated in Workload 1. Report the total number of provider-specific educational contacts (either in person or through telephone or written correspondence) made in Workload 2. Report the number of face-to-face meetings in Workload 3. Contractors may NOT charge a fee for providing this mandatory activity.

3.3.4 – Comparative Billing Report (CBR) Education - Activity Code 24102 (Rev. 36, 12-27-02)

Report all costs associated with the dissemination and education regarding CBRs in Activity Code 24102. Do not report any costs associated with the underlying data analysis required to produce a CBR. Data analysis costs should be reported in MR CAFM II activity code 21007 for reports 1 and 3 (PIM Chapter 1 Section 5A). Show as a credit any fees paid for requested CBRs (report 2). These fees should include the data analysis necessary to produce these requested reports. In the workload section of CAFM

II, Activity Code 24102, report the number of providers that received CBR education with reports 1 and 3 in Workload 1. In the workload section of CAFM II, Activity Code 24102, report the number of providers that received requested CBR education with report 2 in Workload 2. Contractors should report the number of distinct procedure codes that were the subject of CBR education for reports 1 and 3 in Workload 3.

3.3.5 – Education of Identified Service Specific Errors – Activity Code 24103

(Rev. 36, 12-27-02)

Report all costs associated with education of identified service-specific errors in Activity Code 24103. In the workload section of CAFM II, Activity Code 24103, report the number of separate topics where educational materials were produced/published in Workload 1.

3.3.6 – Comprehensive Educational Interventions – Activity Code 24113

(Rev. 36, 12-27-02)

Report all costs associated with comprehensive educational interventions in Activity Code 24113. In the workload section of CAFM II, Activity Code 24113, report the number of providers that received comprehensive educational interventions in Workload 1. Report the number comprehensive educational intervention programs developed and finalized in Workload 2.

3.3.7 – Proactive Local Educational Meetings – Activity Code 24104

(Rev. 36, 12-27-02)

Report all costs associated with proactive educational meetings in CAFM II Activity Code 24104. Show as a credit here any fees paid for provider-requested Local Education Meetings. In the workload section of CAFM II, Activity Code 24104, report the number of contractor initiated local educational workshops/seminars or classes held in Workload 1. Report the number of other contractor initiated local educational face-to-face meetings in Workload 2. Report the total number of provider-requested local educational meetings in Workload 3.

3.3.8 – Frequently Asked Questions Regarding Local Education Issues – Activity Code 24106 (Rev. 36, 12-27-02)

Beginning in 2003, contractors will be required to submit to CMS those FAQs appearing on contractors websites that address local coverage/coding/medical review related claims and billing issues. The vehicle for communicating this information to CMS will be a web-based application into which the contractor will cut/paste. Detailed instructions are in CR 2238, PM AB-02-098. Report all costs associated with Frequently Asked Questions activity in CAFM II Activity Code 24106. Report the number of new Frequently Asked Questions as Workload 1.

3.3.9 – Bulletin Articles/Advisories Regarding Local Education Issues – Activity Code 24107 (Rev. 36, 12-27-02)

Beginning in 2003, contractors will be required to submit to CMS those bulletin articles/advisories appearing on contractors websites that address local coverage/coding/Medical Review related claims and billing issues. The vehicle for communicating this information to CMS will be a web-based application into which the contractor will cut/paste. Detailed instructions are forthcoming. Report all costs associated with the local education portion of bulletins (newsletters) in CAFM II Activity Code 24107. Report the total number of bulletins articles published in Workload 1.

3.3.10 – Scripted Response Documents on Local Education Issues – Activity Code 24115 (Rev. 36, 12-27-02)

Report all costs associated with local scripted response documents in Activity Code 24115. In the workload section of CAFM II, Activity Code 24115, report the number of documents developed in Workload 1.